

Statement
Insurance Association of Connecticut

Insurance and Real Estate Committee

March 8, 2012

HB 5386, An Act Concerning Revisions To the Insurance Statutes

The Insurance Association of Connecticut (IAC) would like to express the following concerns with HB 5386, An Act Concerning Revisions To The Insurance Statutes.

Section 4 of HB 5386 provides that the Insurance Commissioner transmit the report of a Department examination of an insurance company pursuant to C.G.S. 38a-14 to the insurance company. It then requires the secretary of the board of directors to provide a copy of the report to each director, and to certify to that fact.

Lines 351-352 then state that "Such certification shall be deemed to constitute knowledge of the contents of the report or summary by each director." IAC does not understand the purpose of that provision. If the secretary must certify that he or she delivered the report to each director, lines 351-352 seem to be at the very least unnecessary.

In lines 353-356, HB 5386 also requires the insurance company's chief executive officer to present the report to the company's board of directors within a prescribed period of time. Again, the statutory requirement that each report be presented by the CEO seems to be unnecessary and unique.

IAC also has some concerns with the new language in section 10, and the potential effect it could have on the individual life insurance and annuity market in the state. IAC has been working with the Insurance Department on a possible clarification of section 10, and we hope to be able to offer you a mutually agreeable amendment for your consideration in the near future.